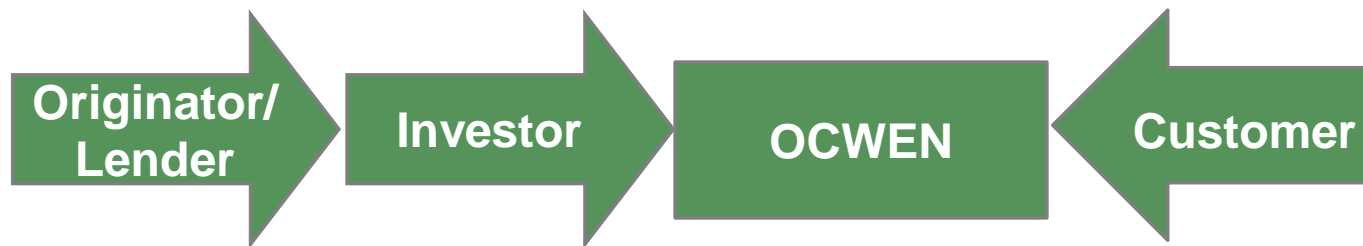




Outreach Program

Ocwen Overview

- Ocwen is a leading provider of residential loan servicing and is currently servicing loans for more than two million homeowners
- Ocwen has more than 25 years of innovation in loss mitigation and has helped more than 280,000 homeowners avoid foreclosure since January 2007
 - Proprietary loan modification program launched more than a year before HAMP
 - Market leader in modifications that include principal write downs
 - About 78% of delinquent loans are resolved in a manner that avoids foreclosure
 - Consistent best-in-class HAMP performance
- Ocwen is a servicer – we service loans on behalf of third party investors such as pension funds, hedge funds, insurance companies and other institutional investors



Compiling a Complete Modification Package

- **Compile Modification Package:** Work with homeowners to understand the modification process and compile a complete package
 - A complete package includes: Required Checklist and all supporting documents (checklist provided in package), Hardship Affidavit, IRS Form 4506T, Dodd Frank certification
- **Top reasons a modification is denied:**
 - The homeowner is current or less than 60 days past due.
 - To review a borrower for a modification, they must be 60 days past due or in imminent default
 - The loan terms can't be adjusted to create an affordable payment (31% DTI) that is also NPV positive
 - E.g., Must meet income parameters (if income is \$1200 per month, the affordable payment is \$372)
- **Missing Documents**
 - Lack of response with updated documents
 - Additional documents are required for some modification types
 - E.g., HAMP 2 – Non-Borrower authorization form is required if a non-borrower's income is provided in the modification; GSE loans – must have 710 Form

Top Missing Documents:

- **BANK STATEMENTS**
- **SIGNED TAX RETURN**
- **4506T**
- **EMPLOYMENT/ INCOME DOCUMENTATION**
- **EVIDENCE OF RENTAL INCOME**
- **PROFIT & LOSS STATEMENT**
- **NON-BORROWER AUTHORIZATION**

Ocwen Loan Resolutions

Depending on a borrower's unique situation, there are several possible pre-foreclosure resolutions

Customer-Based Resolutions

- **Total Debt Payoff:** A lump-sum payment is made satisfying the mortgage and note in full.
- **Reinstatement:** Delinquent payments are paid in a lump-sum bringing the loan current.
- **Repayment Plan:** This plan is designed to bring the loan current at the end of the plan period. The arrearage amount is divided by the number of months in the plan, and that increment is added to the contractual payment amount.
- **Loan Modification:** A formal change is made to the terms of the loan contract: interest rate, maturity, amortization schedule, or principal balance of the loan may be changed to make the payments affordable for the customer.

Collateral Based Resolutions

- **Short Sale/Discounted Payoff:** Customer wants to leave the home, but the property value is less than the amount owed. Ocwen accepts less than the total amount needed to satisfy the mortgage.
- **Deed-in-Lieu of Foreclosure:** The customer transfers the deed of the property to Ocwen to satisfy the debt. The value of the property is typically less than or equal to the total debt owed, otherwise the customer would sell the property in order to preserve the equity. This resolution avoids the time and cost of a foreclosure.

Income Types and Required Documentation

Pension & Annuities

- Award Letter or Benefit Statement that states the amount, frequency paid and how long the customer will receive the benefit
- Evidence of receipt by one of the following: IRS W2 or 1099 or 2 most recent bank statements reflecting deposit
- Evidence that it will continue for 3 years (to confirm short term or long term disability)

Social Security, Retirement, Disability or Death Benefits/Survivorship

- Award Letter, Benefit Statement or Disability Policy that states the amount & frequency paid
- Evidence of receipt by one of the following: IRS W2 or 1099 or 2 most recent bank statements reflecting deposit
- Evidence that it will continue for 3 years

Unemployed

- Letter, exhibit, or a benefit statement from the unemployment provider that states the amount, frequency, and duration of the benefit
- Evidence that the unemployment will continue for at least 9 months
- Require 2 most recent Bank Statements with all pages

Income Types and Required Documentation

Alimony and Child Support

- Copy of divorce decree, separation agreement or other type of legal written agreement or court order that provides the payment amount of Alimony or Child Support and the period of time over which it will be received
- Documents supplying reasonably reliable evidence of full, regular and timely payments, such as deposit slips, bank statements or signed federal tax returns
- Evidence income will continue for at least 3 years (if child support, need evidence of child's age since child support continues child is 18-years-old)

Family Assistance / Contribution

- Signed letter from family or friend that states the amount they are contributing to the household and a statement from them that they will continue to make this contribution
- Require 3 most recent month's evidence of receipt of this contribution (bank statements, deposit slips or canceled checks from the family member or friend)

Rental Income

- Copies of all pages from the customer's most recent two years of signed federal income tax returns and Schedule E – Supplemental Income and Loss

Case Study

John Smith was without employment for over a year and is now currently four months past due on his mortgage. John started working as a customer service representative for a bank three months ago. John is a W2 employee receiving a base salary as well as a monthly incentive. Though John has taken a decrease in pay, he is happy to have stable employment and wants to apply for a loan modification to bring his mortgage current. What financial documents will John have to provide in order to be reviewed for a modification?

John is Salaried / W2 Employed

1. Most recent years tax returns
2. Signed IRS 4506T form
3. 2 most recent consecutive paystubs
4. A letter from customer's employer stating that the incentive will continue

Case Study

Francisco is receiving rental income for another property he owns. Francisco doesn't file any of the rental income on his tax returns. He just recently was able to rent out the home after having to evict his last tenant. Now that Francisco has a new tenant that is paying he would like to apply for a modification to bring his mortgage on his primary residence current. What financial documents will Francisco have to provide in order to be reviewed for a modification?

When Schedule E is not available to document rental income

1. Lease agreement
2. 2 rent receipts or 2 cancelled checks, or 2 bank statements reflecting rent deposits.
3. The agreement should not have an end date which is already past and the 2 receipts or 2 cancelled checks or 2 bank statements should be within 90 days from the date of receipt and should not be more than 6 months old from the date of actual review.

Case Study

Diego's grandfather, Mr. Cooper, moved in with him last year. He is not on the note, but he does contribute his income to help out with the mortgage payments. Mr. Cooper is currently receiving Social Security income, but he doesn't have a bank account. Social Security deposits his money on a debit card. In order to use his grandfather's income, what documentation does Diego need to provide?

1. Mr. Cooper needs to sign the non-borrower authorization form and include his SSN for verification that he lives at the property.
2. Award letter stating the amount and frequency of the benefit.
3. Receipt of payment, such as copies of the two most recent bank statements or deposit advices showing deposit amounts. Since he does not have a bank account he will need to send a transaction history for his debit card.

Case Study

Terry Taylor is a 1099 employee for a tulip distributor. She incorporated seven years ago and calls her company Terry's Tulip Floral Shop. Due to a substantial decrease in sales over the last year, Terry has fallen a month behind on her mortgage payment. Terry fears that she can no longer afford her mortgage payment and wants to be considered for a modification. What financial documents will Terry have to provide in order to be reviewed for a modification?

Terry is Self-employed

1. Signed copy of the most recent federal income tax return, including all schedules and forms (Schedule-C / CEZ)
2. Signed IRS Form 4506-T
3. Last three months Profit and Loss statement if this is filed monthly or provide the last quarter's statement for each self-employed customer

Ocwen Advocacy Team Contacts

Please submit complete modification packages through Hope LoanPort or email ADV@ocwen.com

Follow up question can be directed to Ocwen's Advocacy Team:

Advocacy Team Hotline: 1-800-738-8538

Tammy White
Fax: (407) 737-5166
Tammy.White@ocwen.com

Seth Cooper (Hope LoanPort Lead)
Fax: (407) 381-6989
Seth.Cooper@ocwen.com

Escalation Contacts:

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202-973-2882
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Specialized Home Retention
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Deana DeLaura
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** IA loan escalation*

Please note: While borrowers from the former GMAC/ResCap platform (IA payment address) are not currently eligible for the fee-for-service program, you can submit complete modification applications to their Advocacy/HOPE team at COLS.Operations@ocwen1.com or through Hope LoanPort (Ocwen formerly GMAC)